

## Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 14739 142051Z

72

ACTION EB-11

INFO OCT-01 EUR-25 NEA-10 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

DRC-01 /189 W

----- 005808

R 141700Z DEC 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 8508

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION GENEVA

LIMITED OFFICIAL USE NEW DELHI 14739

BRUSSELS FOR USEC, PARIS FOR OECD.

E.O. 11652: N/A

TAGS: ETRD, IN

SUBJ: INDO-EC TRADE RELATIONS

REFS: A. STATE 236951; B. STATE 238471

1. GLITMAN (EB/OT) VISIT TO INDIA PROVIDED USEFUL OPPORTUNITY FOR GENERAL REVIEW OF BILATERAL AND MULTI-LATERAL TRADE RELATIONS WITH GOI OFFICIALS. DURING MEETING WITH NARASIMHAN, DEPUTY SECRETARY (TARIFFS AND UNCTAD), MINISTRY OF COMMERCE, DISCUSSION FOCUSED ON INDO-EC TRADE RELATIONS WITH THE FOLLOWING HIGH POINTS.

2. NARASIMHAN REAFFIRMED (NEW DELHI A-414) THAT  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 14739 142051Z

NEGOTIATIONS ON AN OVERALL TRADE AND COMMERCIAL AGREEMENT

WERE PROCEEDING, ALTHOUGH HE WAS HIGHLY CRITICAL OF THE SUBSTANCE OF THE EC ATTITUDE TOWARDS INDIA AND DEVELOPING COUNTRIES IN GENERAL. HE REPEATED THAT THE EC WAS CONSTANTLY CLAIMING TO BE MORE FORTHCOMING THAN THE USG IN TRADE POLICY TOWARDS DEVELOPING COUNTRIES. WHILE THE

SUBSTANCE OF EC OFFERS WAS SHODDY, THE APPEARANCE WAS ALWAYS EXCELLENT.

3. NARASIMHAN THIS TIME GAVE A DIFFERENT EXPLANATION

(AND PROBABLY CLOSER TO THE MARK THAN HIS PREVIOUS CONVERSA-

TION REPORTED IN A-414) ABOUT THE EC REQUEST FOR "MOST FAVORED NATION TREATMENT" WITH REGARD TO RAW MATERIALS. HE STATED THAT THE REQUEST DID NOT RELATE TO MINERALS BUT RATHER REFLECTED EC'S CONCERN THAT INDIA WAS LIKELY TO SHIFT SUPPLIES OF RAW MATERIALS SUCHS DQLEATHER AND JUTE TO COUNTRIES SUCH AS THE SOVIET UNION, OR TO RESTRICT THEIR EXPORT, LEAVING EUROPEAN PROCESSING INDUSTRIES WITHOUT ADEQUATE SUPPLIES OF RAW MATERIALS. THE "MOST FAVORED NATION" PROVISION THEREFORE WAS DIRECTED AT ENSURING THAT NO ABRUPT SHIFT IN SUPPLIES TOOK PLACE AT THE EXPENSE OF THE EC. THE INDIANS HAD REJECTED THE PROPOSAL AND THE ISSUE HAD BEEN DROPPED WHEN THE INDIANS HAD POINTED OUT THAT THERE WAS CZ RECIPROCAL PROVISION PROVIDING FOR EUROPEAN SUPPLIES OF MANUFACTURED PRODUCTS, ESPECIALLY AT TIMES WHEN IT MIGHT BE ADVANTAGEOUS FOR THE EUROPEANS TO EXPORT SUCH PRODUCTS TO THIRD COUNTRIES.

4. WITH RESPECT TO MARGIN OF PREFERENCE, NARASIMHAN STATED THAT THE GOI ONLY MAINTAINED MARGINS OF PREFERENCE FOR THE UNITED KINGDOM "A BRITISH COLONY" AND BURMA.

GOI WAS PREPARED TO REDUCE OR ELIMINATE THESE MARGINS BUT DID NOT WISH PUBLICLY TO STATE THIS POSITION. SPECIFICALLY, INDIA WAS PREPARED TO AGREE TO USG REQUESTS FOR REDUCTION OR ELIMINATION OR MARGINS OF PREFERENCE AND THE BINDING OF THE NEW RATES OF DUTY IN THE CONTEXT OF THE ARTICLE XXVIII AND MTN NEGOTIATIONS. NUASIMHAN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 14739 142051Z

GRATUITOUSLY POINTED OUT THAT WHILE THE GOI COULD ELIMINATE THESE PREFERENCES UNILATERALLY, IT SAW NO POINT IN DOING SO WHEN SUCH ACTION COULD BE UTILIZED AS PART OF THE GOI'S CONTRIBKCI ON TO THE MTN. MOYNIHAN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE AGREEMENTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973NEWDE14739  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** NEW DELHI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731224/aaaaarri.tel  
**Line Count:** 112  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A. STATE 236951; B. STATE 238471  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Sep-2001 by freemaal>; APPROVED <01-Nov-2001 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INDO-EC TRADE RELATIONS  
**TAGS:** ETRD, IN, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005